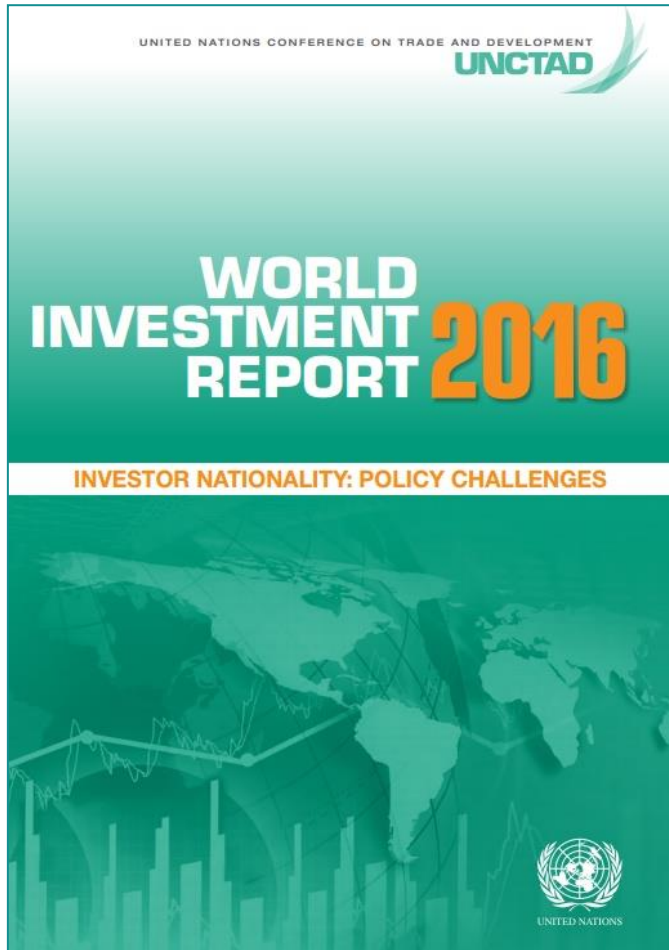


FDI Trends and a New Agenda for Investment Promotion and Facilitation

Workshop on Investment Promotion for Jordanian Diplomats
21–22 November 2016, Amman

Paul Wessendorp
Chief, Investment Promotion Section
UNCTAD

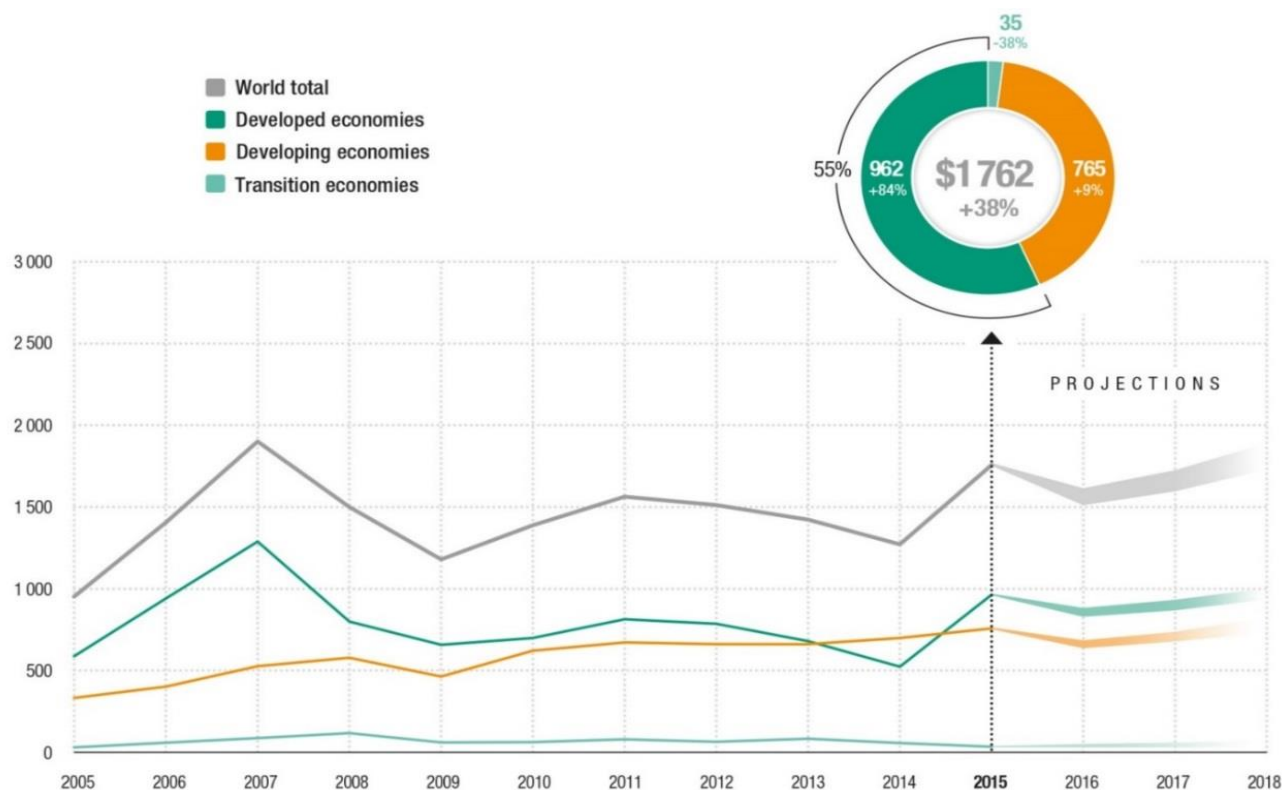
FDI trends and prospects



- The [World Investment Report](#) presents the latest data and findings on global and regional investment trends.
- FDI flows continue to be erratic since the global economic crisis, which is troubling in light of the investment needs associated with the newly adopted Sustainable Development Goals and the ambitious action envisaged in the landmark Paris Agreement on climate change.

FDI recovery was strong in 2015, but lacked productive impact

Global FDI inflows by group of economies, 2005-15, and projections, 2016-18
(Billions of dollars and per cent)

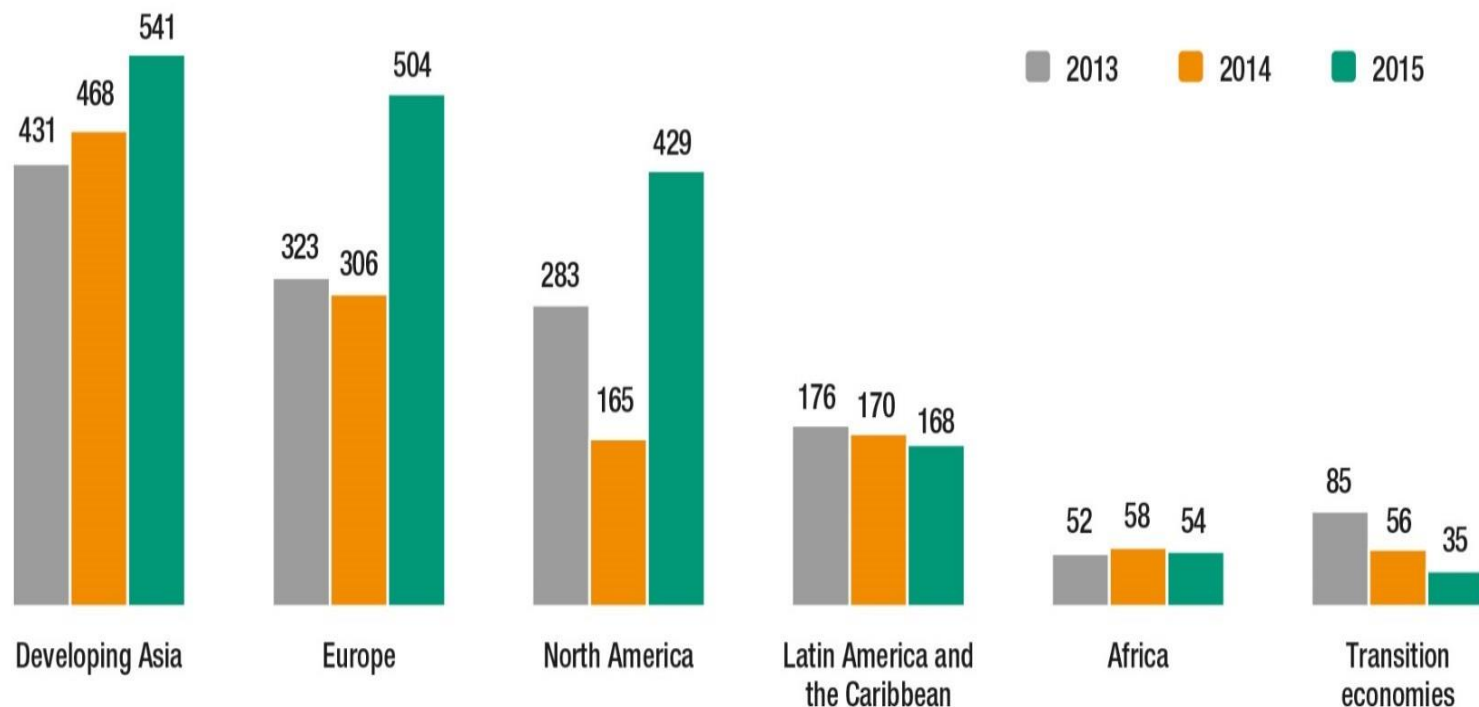


Source: UNCTAD.

FDI flows to developed countries nearly doubled

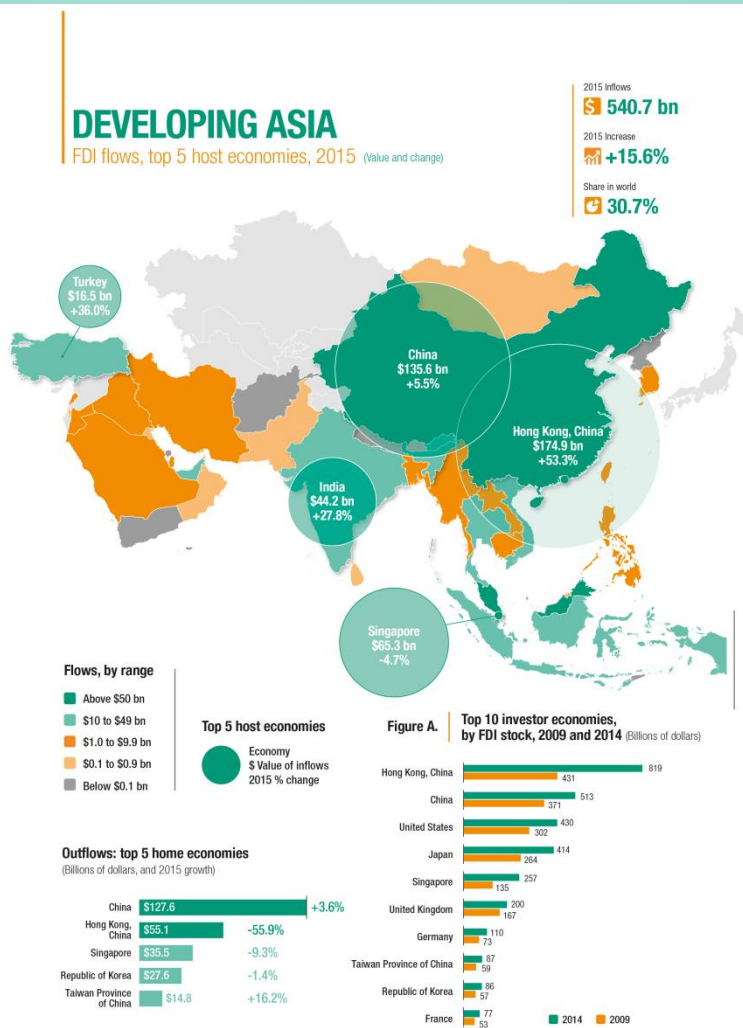
Developing Asia remains largest FDI host region

FDI inflows, by region, 2013–2015 (Billions of dollars)



Source: UNCTAD.

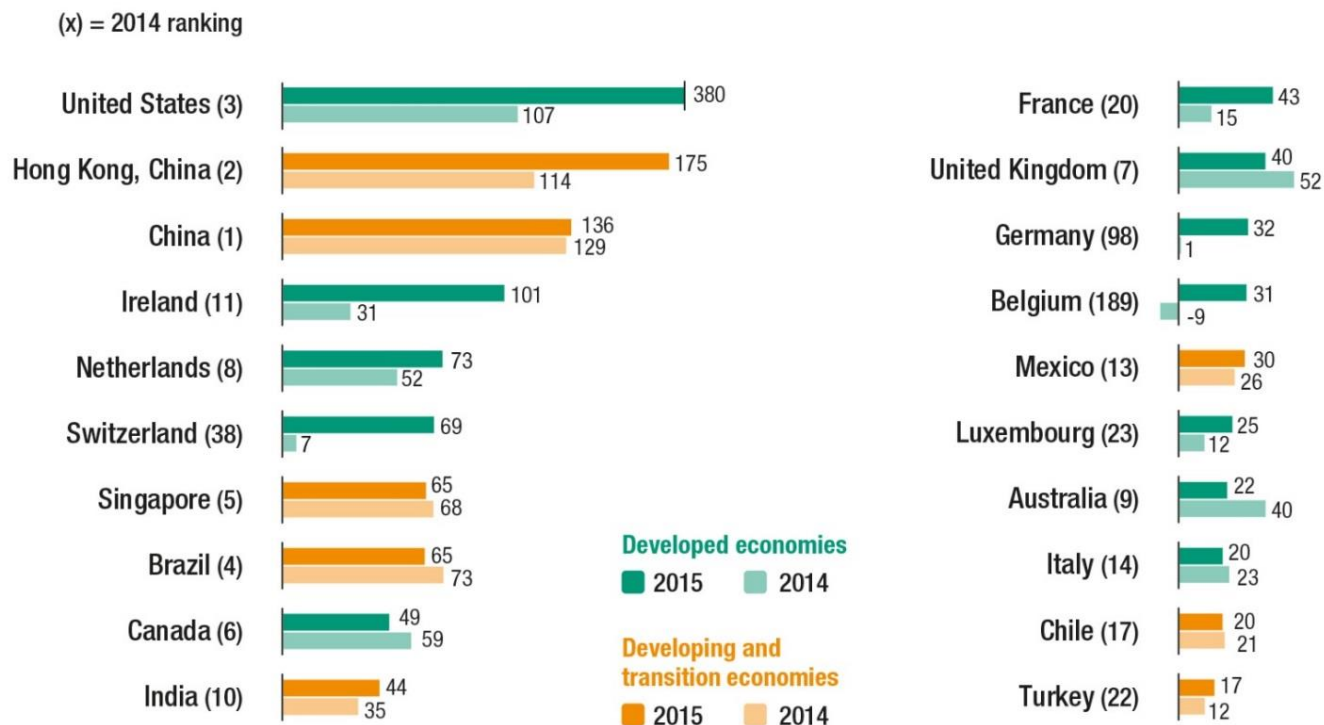
FDI flows to developing Asia in 2015



Source: UNCTAD.

Half of top 10 FDI hosts are developing economies

FDI inflows, top 20 host economies, 2014 and 2015 (Billions of dollars)

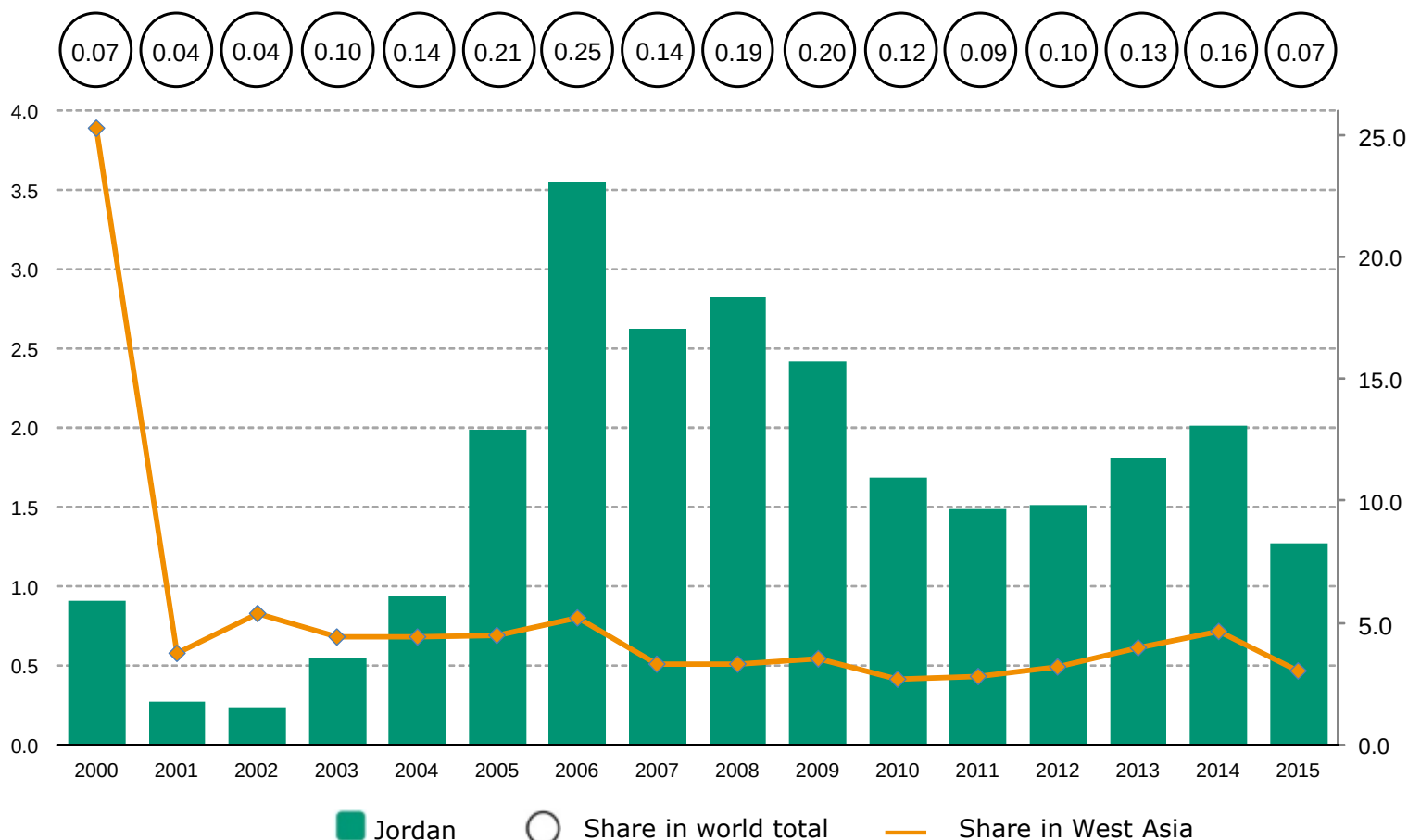


Source: UNCTAD.

FDI inflows in Jordan bucked global trends in 2015

Jordan: FDI inflows and its share in West Asia and total world inflows, 2000-2015

(Billions of dollars and per cent)

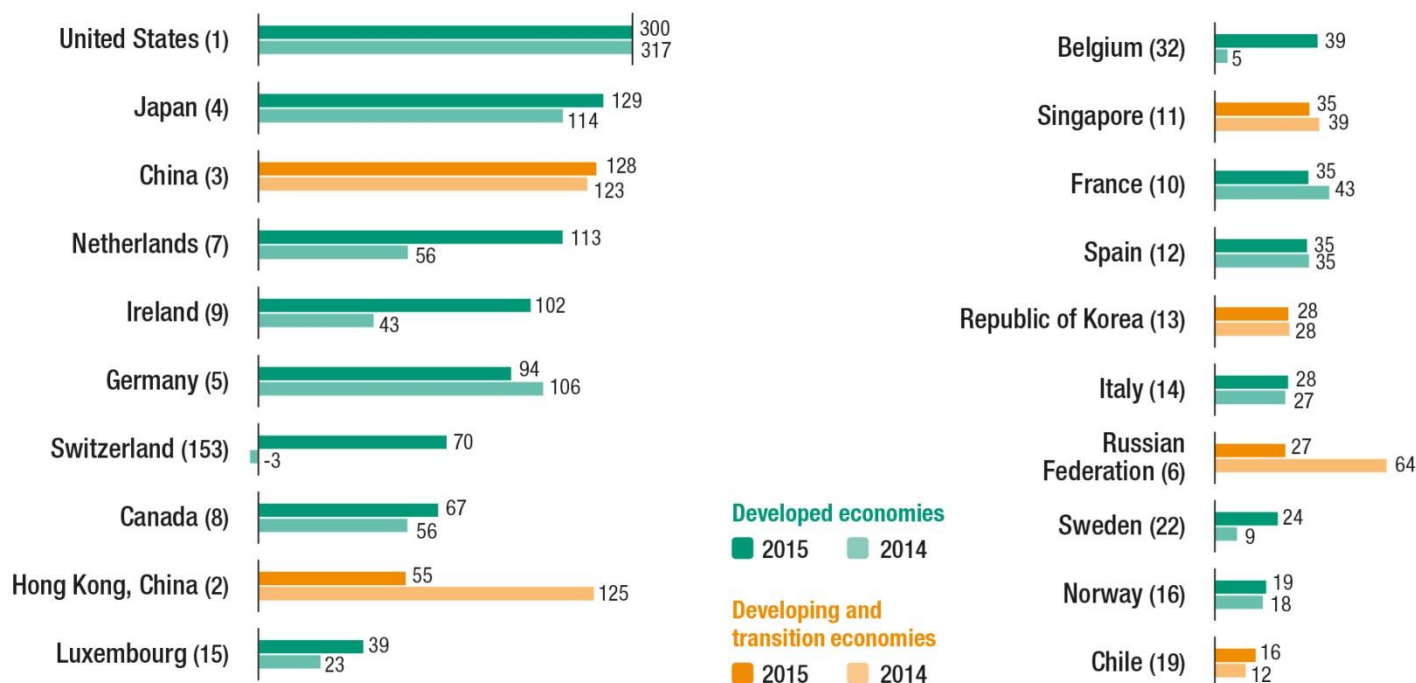


Source: UNCTAD 2016 World Investment Report

Rising investment by European MNEs reshuffled the top 20 investors

FDI outflows, top 20 home economies, 2014 and 2015 (Billions of dollars)

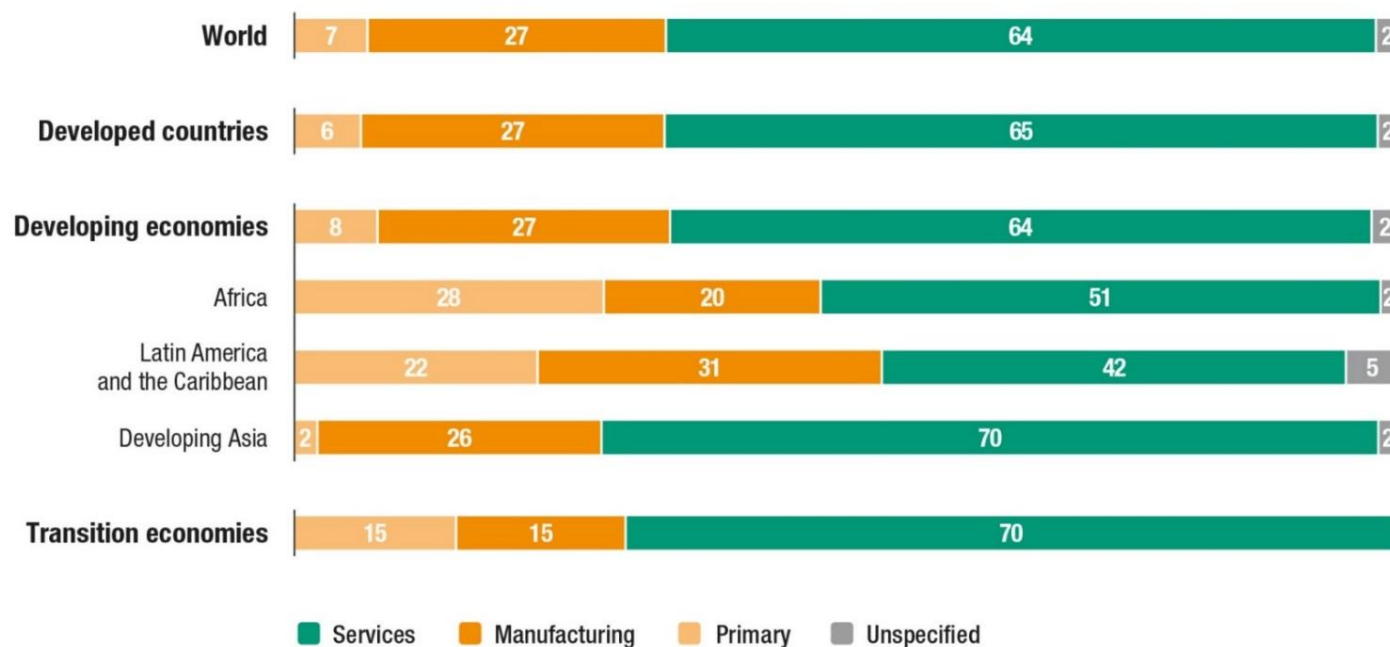
(x) = 2014 ranking



Source: UNCTAD.

The services sector accounts for almost two thirds of global FDI stock

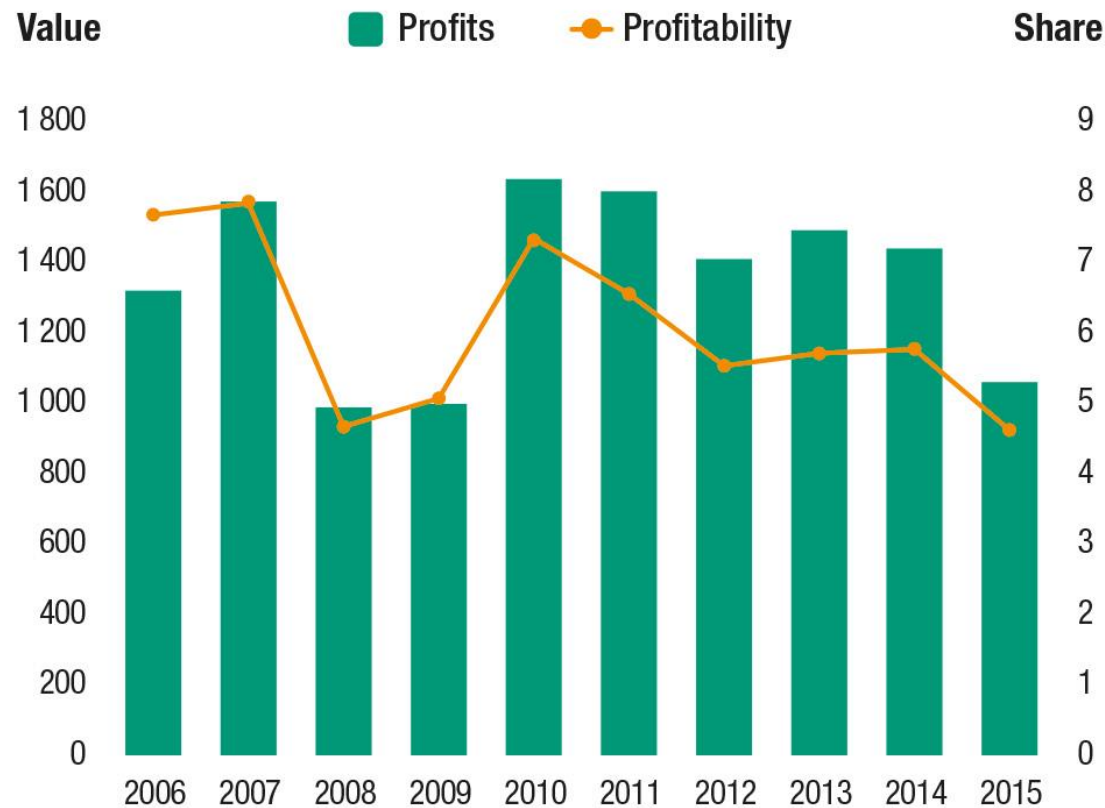
Global inward FDI stock, sectoral distribution by grouping and region, 2014 (Per cent)



Source: UNCTAD.

The global economic outlook and lower commodity prices directly affected the profits and profitability of MNEs

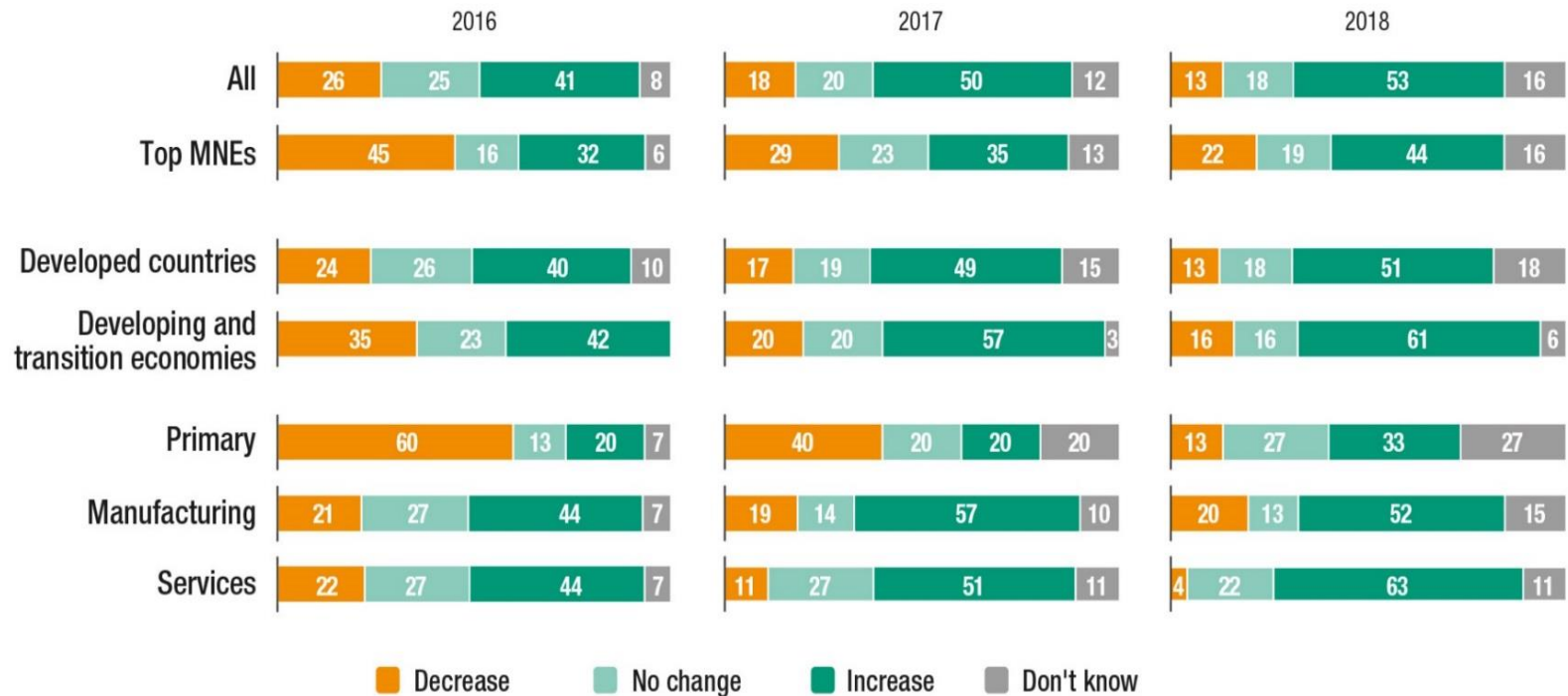
Profitability and profit levels of MNEs, 2006–2015
(Billions of dollars and per cent)



Source: UNCTAD.

UNCTAD Business survey reveals muted overall FDI spending intentions in 2016, but improving over the medium term

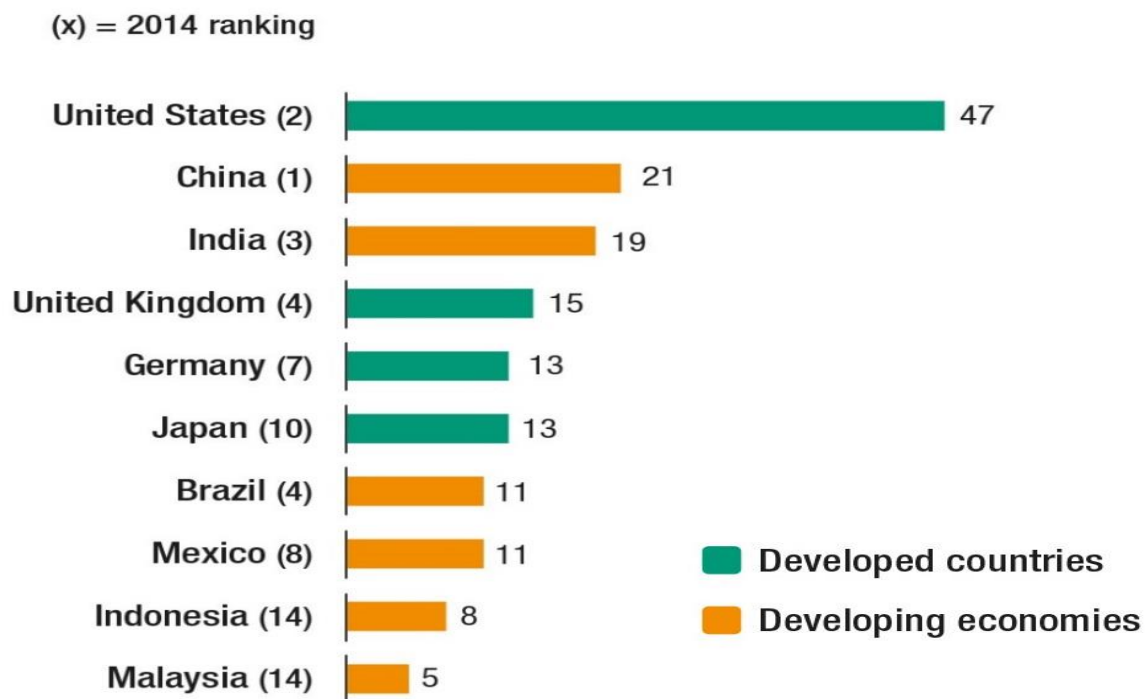
Executives' global FDI spending intentions, 2016–2018, with respect to 2015 levels
(Per cent of responding executives, based in each region and sector)



Source: UNCTAD.

The top prospective destinations remain unchanged

MNEs' top prospective host economies for 2016–2018
(Per cent of executives responding)



Source: UNCTAD.

Looking ahead: FDI prospects

FDI flows are expected to decline by 10–15 per cent in 2016, reflecting:



- Fragility of the global economy
- Persistent weakness of aggregate demand
- Sluggish growth in some commodity exporting countries
- Effective policy measures to curb tax inversion deals
- A slump in MNE profits

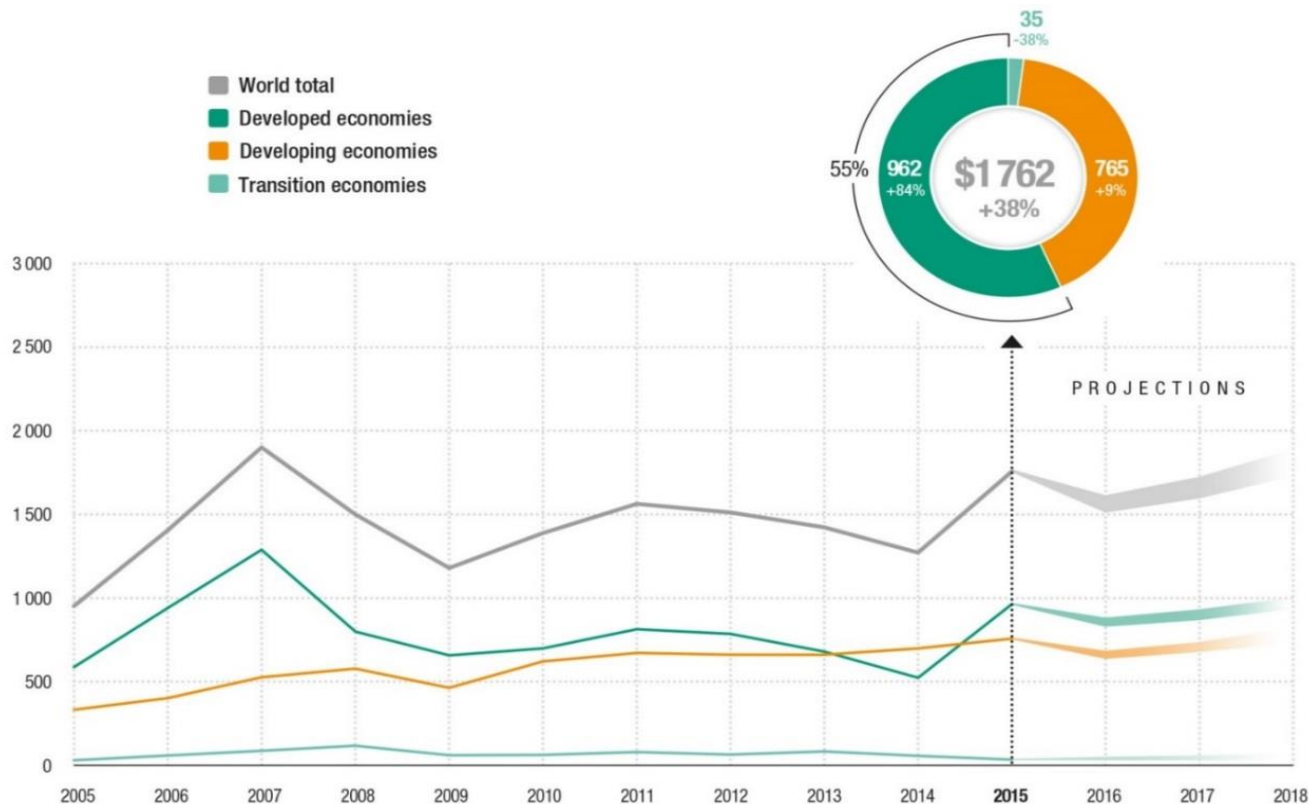
**WORLD
INVESTMENT
REPORT 2016**

Why a New Agenda for Investment Promotion and Facilitation?

- Productive investment gap
- SDG investment gap
- Systemic policy gap

Productive investment gap

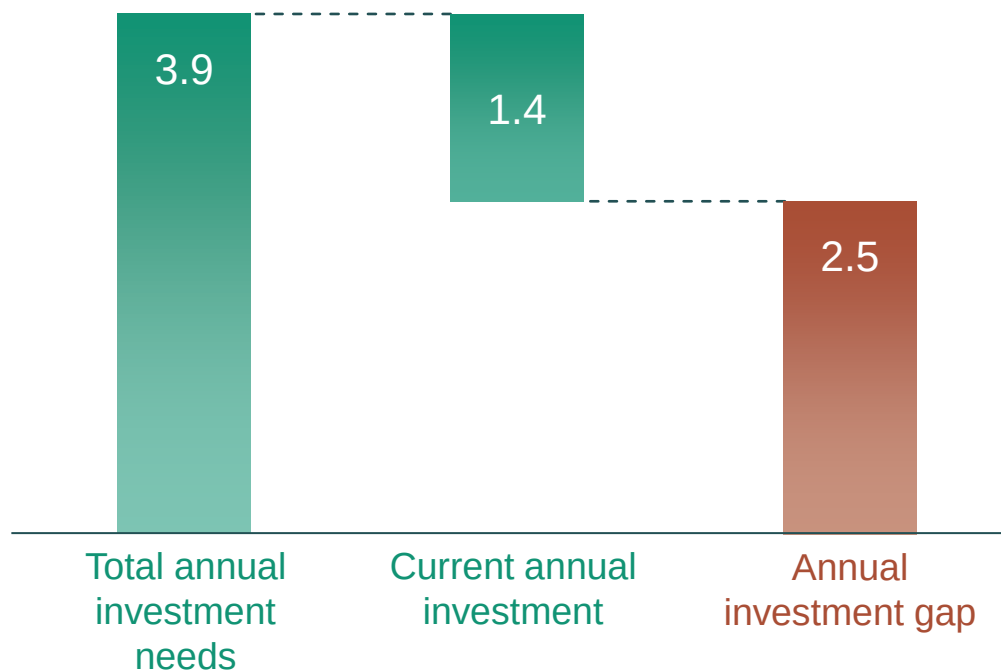
Global FDI inflows by group of economies, 2005 – 2015, and projections, 2016 – 2018 (billions of US dollars and per cent)



Source: UNCTAD.

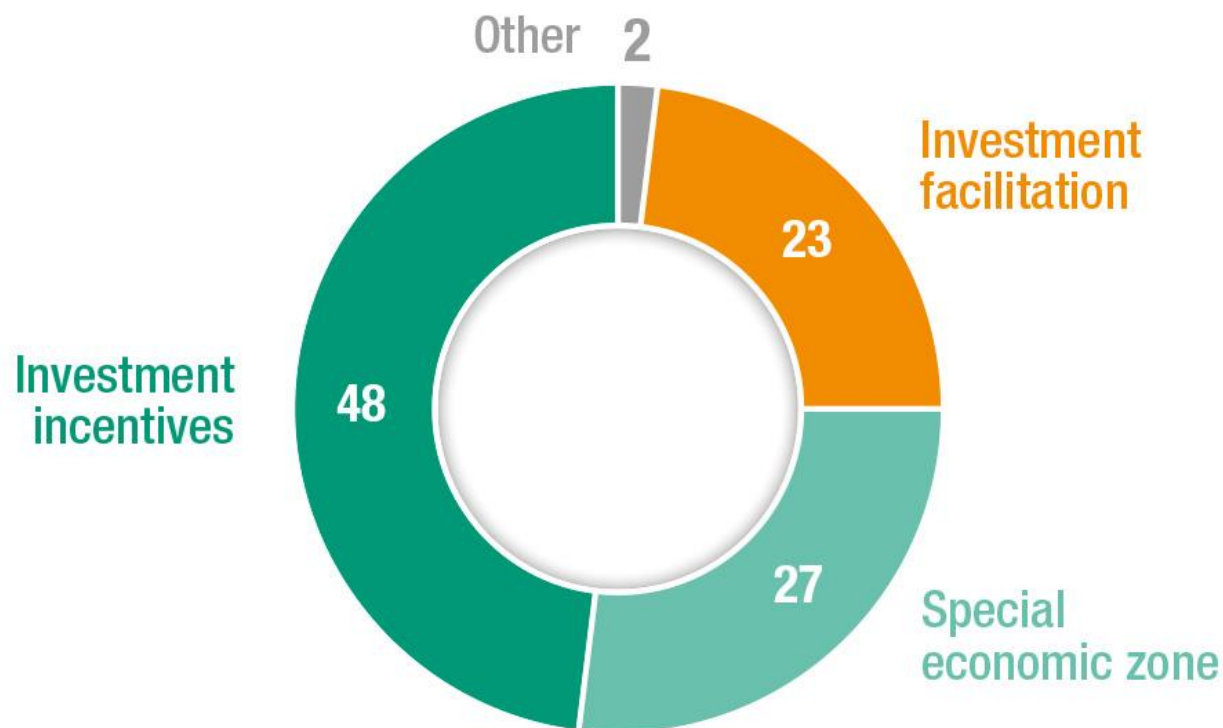
SDG investment gap

Estimated annual investment needs in key SDG sectors in developing countries, 2015 – 2030 (trillions of US dollars, annual average)



Source: UNCTAD World Investment Report 2014.

Categories of promotion and facilitation policies, 2010 – 2015 (per cent)



Source: UNCTAD

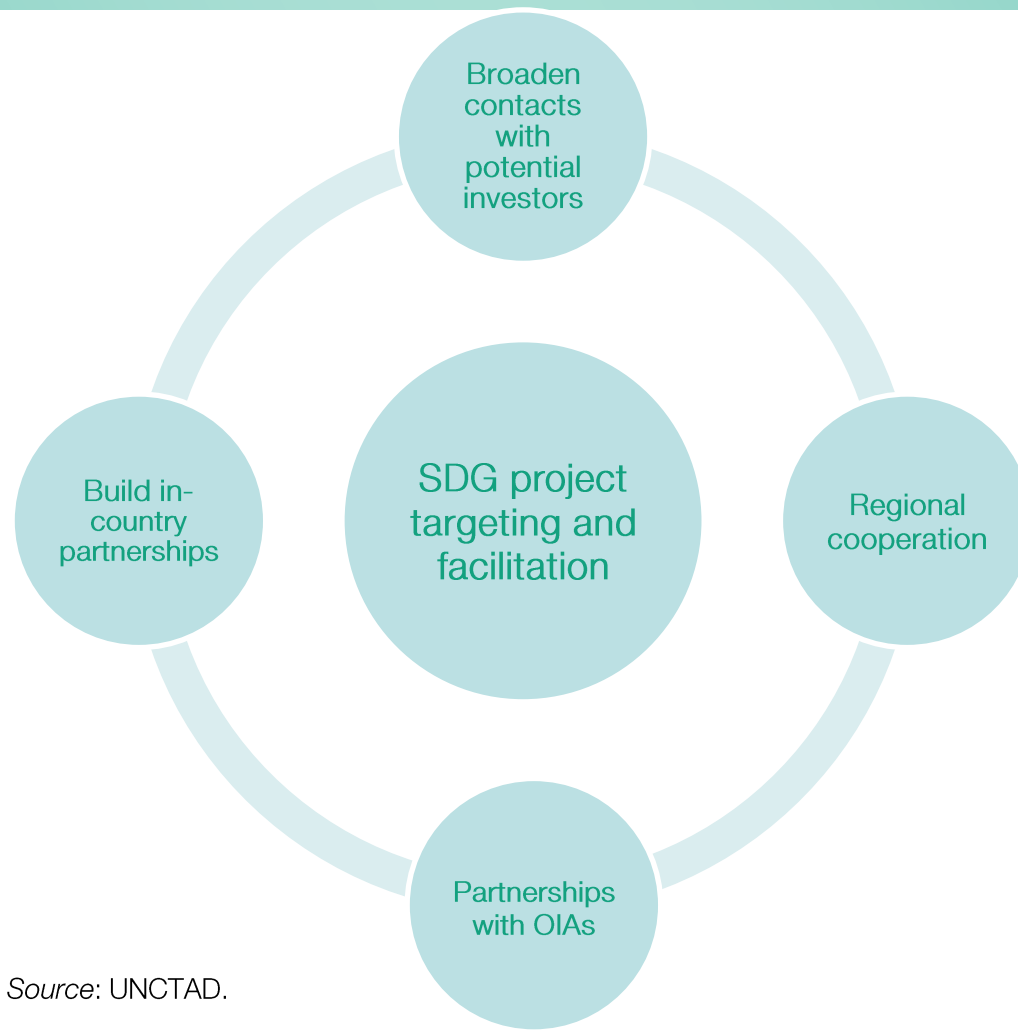
What to promote and facilitate?

UN SDGs for 2030 focus efforts on fighting poverty and addressing global development and environmental challenges



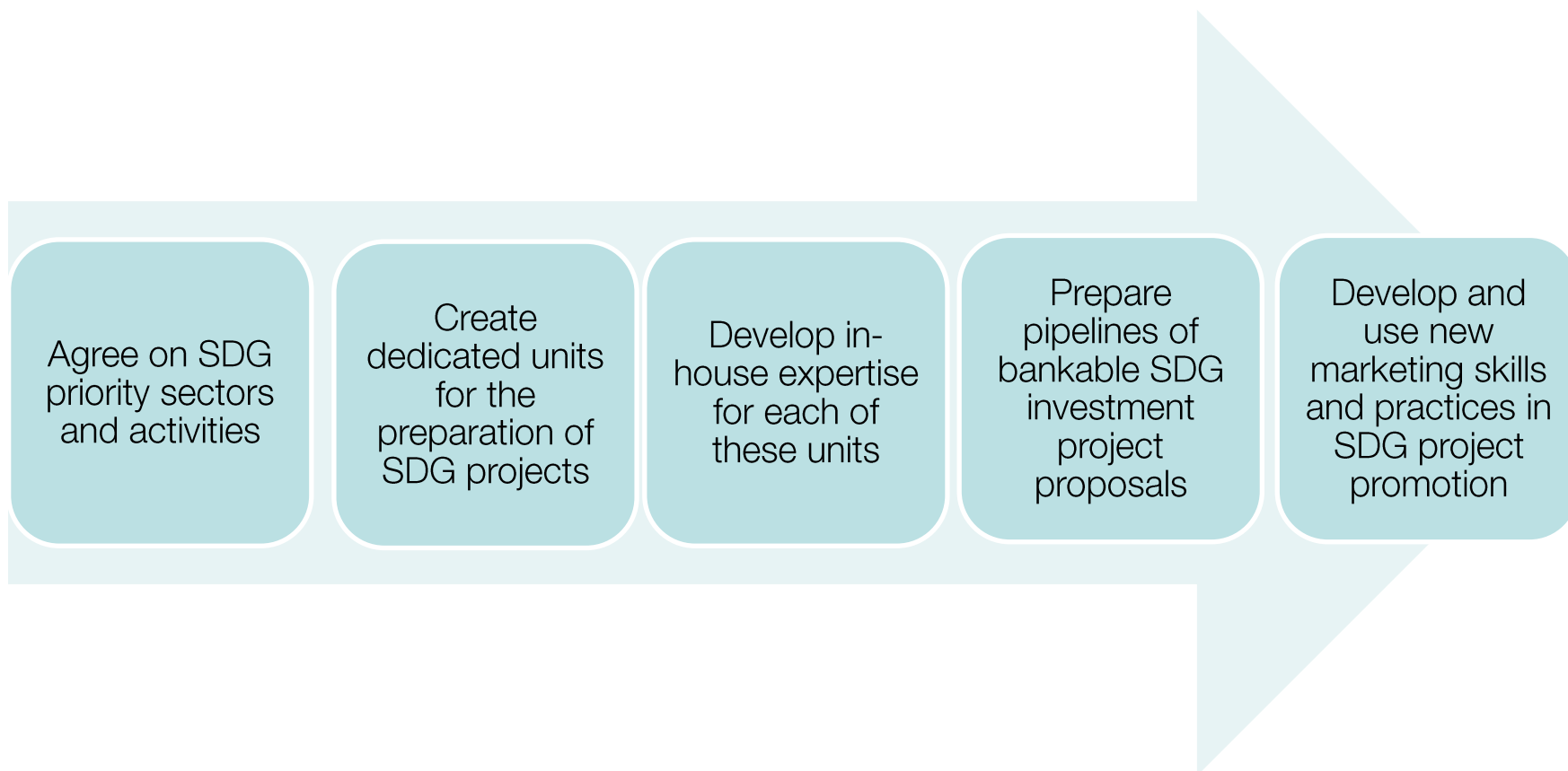
Source: United Nations.

How to promote and facilitate SDG projects?



Source: UNCTAD.

Investment promotion: targeting SDG projects



Source: UNCTAD.

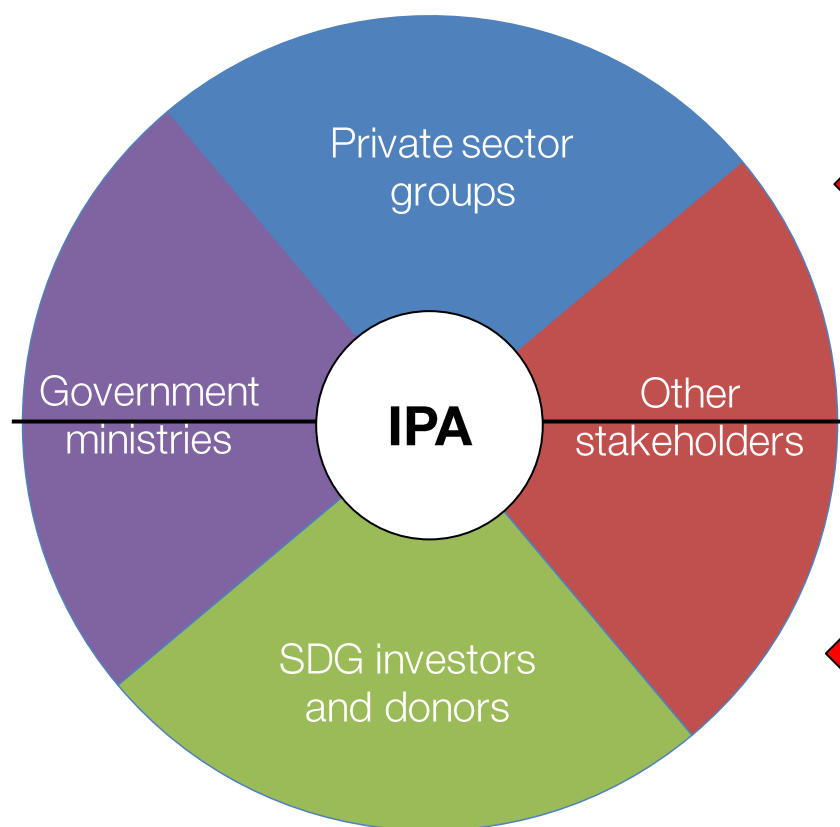
Investment facilitation: UNCTAD's Global Action Menu

Action lines:

1. Promote accessibility and transparency in the formulation of investment policies, regulations and procedures relevant to investors
2. Enhance predictability and consistency in the application of investment policies
3. Improve the efficiency and effectiveness of investment administrative procedures
4. Build constructive stakeholder relationships in investment policy practice
5. Designate a lead agency or investment facilitator with a specific mandate for disputes prevention and mediation
6. Establish monitoring and review mechanisms for investment facilitation
7. Enhance international cooperation for investment facilitation
8. Strengthen investment facilitation efforts in developing-country partners through technical assistance
9. Enhance investment policy and proactive investment attraction in developing-country partners
10. Enhance international cooperation towards investment for development, including through provisions in IIAs

Source: UNCTAD.

Building in-country multi-stakeholder partnerships



Traditional Partners

- ☐ Ministries of Industry, Trade, and Investment, Foreign Affairs, Prime Minister's office
- ☐ TPOs, EDAs, industrial zones, EPZs
- ☐ Chambers of commerce, manufacturing associations

SDGs Support Partners

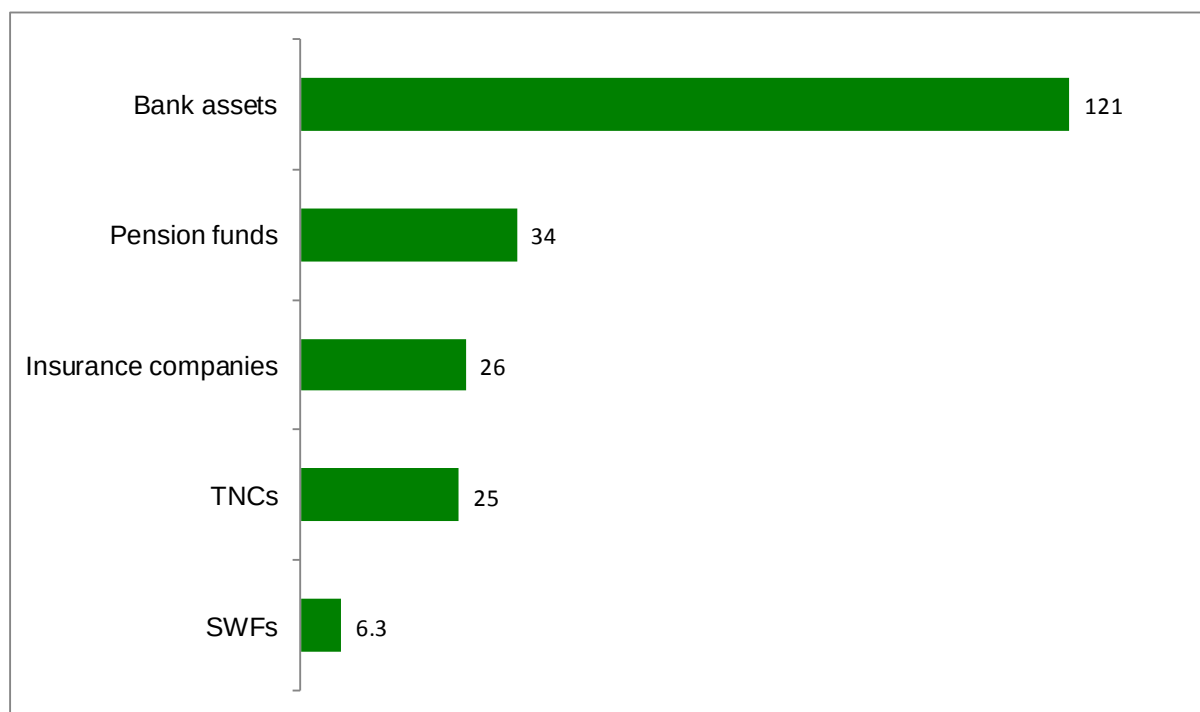
- ☐ Ministries of Energy, Health, Education, Agriculture, Labour
- ☐ NGOs, local governments, informal sector representatives
- ☐ Local representatives of development banks, donors

Source: UNCTAD.

Broaden contact with potential investors

Relative sizes of selected potential sources of investment, 2012

(value of assets, stocks and loans in trillions of US dollars)

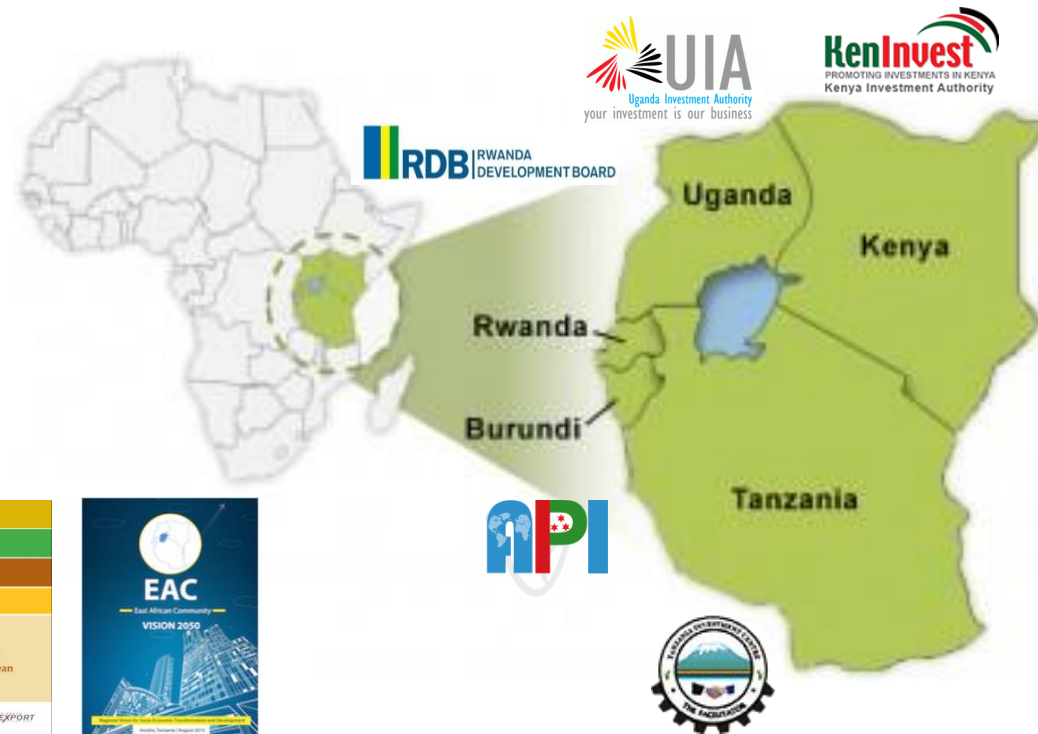


Source: UNCTAD World Investment Report 2014.

Regional cooperation between governments and their IPAs



East Africa Community



Partnerships with outward investment agencies

Information sharing

Technical cooperation

Investment opportunities
marketing

Outward investment agencies
(OIAs)



Foreign enterprise



Inward investment promotion
agencies (IPAs)



Selected UNCTAD services on investment policies, promotion and facilitation

1. Investment promotion and facilitation advisory services
2. Capacity-building for investment promotion officials and diplomats
3. Best-practice exchanges & UNCTAD's Investment Promotion Awards
4. Investment Policy Reviews
5. Investment Policy Framework for Sustainable Development
6. Assistance on key issues in IIAs
7. OIA-IPA partnership development
8. Business linkages programme
9. eRegulations programme & online Investment Guides
10. GreenFDI.org platform & SmartPromotionNetwork



Thank you!

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